CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

SECRET/CONTROL-U.S.OFFICIALS ONLY

COUNTRY	Hungary	REPORT	25X1
SUBJECT	Office of Quality Control (MEO)	DATE DISTR.	22 March 1954
		NO. OF PAGES	3
DATE OF INFO.		REQUIREMENT NO.	RD 25X1
PLACE ACQUIRED		REFERENCES	25X1

This is UNEVALUATED Information

25X1

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFIN
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

25X1

1. Organization.

a. Within the Hungarian Ministry for Metallurgical and Machine Industries (MMMI) there is a section called the Office of Quality Control (Minőség Ellenőrző Osztály or MEO). This section is responsible for exercising control of the quality of materials and products throughout industrial establishments subordinated to MMMI.

b. Although under the Technical Directorate of MMMI, the MEO in practice comes under the direct control of Deputy Minister Gyula Karadi.

c. Quality control is exercised at all levels from major subdivisions of the MMMI down to individual producing plants, and MEO is responsible for directing and co-ordinating the activities of quality control groups at all these varying levels. Personnel engaged in quality control in all branches of metallurgical and engineering industry, excluding armaments, totals about 13,500; if establishments producing armaments are included the figure is about 18,000.

2. Functions.

a. MEO is responsible for drafting regulations governing plant organization, methods of work, allocation and use of equipment, introduction of new appliances and machinery, and disciplinary measures connected with maintenance of quality standards. Drafts are submitted, according to the scope of the regulations and the degree of responsibility involved, for signature either by the Deputy Minister Karadi or by the minister himself.

b. MEO is also charged with drawing up annual budgetary allocations for all instruments and appliances used in the exercise of quality control; this allocation is made by MEO to major divisions of the ministry only; their ultimate breakdown to plant level being the task of the quality control groups at the

SECRET/CONTROL-U.S.OFFICIALS ONLY

STATE		ARMY		NAVY		AIR		FBI		AEC					
	x		x		x		x								

(Note: Washington Distribution Indicated By "X"; Field Distribution By "#".)

various levels down the chain of administrative command.

c. It is further the duty of MEO to supervise the compilation of production statistics to ensure that reject production is entered as such and not permitted to swell the figures for standard production.

d. On the 20th of each month, MEO compiles a report, based on data passed up the chain of quality control command from plant level, for circulation to the minister, Deputy Minister Káradi, and the Planning, Central Accounts, and Central Statistics departments of the Ministry. This report states the value of production in forints (based on values specified in the Plan for the Year) by major divisions of the industry and by each individual plant, as also the value (in terms of total real costs) of all reject production and waste, the percentage of waste to standard production, and an analysis of the causes of waste (i.e. faulty machinery, poor materials, inefficiency of labor, etc.).

3. Equipment.

a. The shortage of testing equipment of all kinds, more particularly of modern types, is very serious. An indication of this is, that although the MEO estimates for 1954 requirements for measuring and other precision testing equipment for all establishments of MMMI (excluding armaments production plants) amounted to a value of 14 m. forints, the requisitions finally authorized by the minister were for only 1.4 m. forints. This state of affairs only serves to aggravate the basic difficulty in applying proper qualititative control, which is that wages are still principally based on the quantitative output.

b. Until recently the simpler items of quality testing equipment, such as sliding calipers, micrometers, setsquares and measuring gauges, were manufactured in Hungary principally by:

1.) Gamma Precision Mechanics Enterprise (Gamma Finommekanikai Vállalat) of 81/83/85 Fehérvary ut, Budapest XI, Tel: 258890.

2.) Calliper Factory (Kalibergyár) of 13/17 Karmelit utca, Budapest XIII, Tel: 200505.

c. Rather more advanced equipment, including electronic devices for measuring thickness and determining composition, is being manufactured by Electronic Measuring Instrument Works (Elektroteknikus Mérőműszerekgyára or EMG) formerly of 24 Erzsébet utca, Ujpest, Budapest IV, and, since July 1953, in new premises at Sashalom near the Mátyásföld airfield (exact location is unknown). Instruments coming from this plant are still, however, in the experimental stage and therefore not yet in quantity production.

4. Import of Instruments.

The following instruments are imported:

a. From the USSR: Principally micrometers (0-1000 mm. for inside and outside measurements), tensiometers, durometers, these instruments bear neither trade mark nor maker's name. Exact import figures are not known but they arrive only in very small quantities.

b. From Czechoslovakia: Eltas micrometers (for high precision work, insensitive to vibration), thread-measuring wires, thread-testing instruments and gauge blocks. The majority of these are believed to come from the Brno Armament Works (Zbrojovka Brno) in Brno. Import of these is limited by Czech internal requirements.

25X1

c. From East Germany: A wide variety of instruments of all types.

d. [redacted] 25X1

e. From other Western Countries: Precision and measuring instruments are being imported from whatever source they can be obtained. Such imports are governed by:

1.) availability of foreign currencies;

2.) Western restrictions on the export of precision equipment.